



## NEWS RELEASE

### United States Senate Committee on Small Business *Olympia J. Snowe, Chair*

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<http://sbc.senate.gov>

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### **SNOWE PRAISES HOUSE COMMITTEE FOR QUICK ACTION ON LEGISLATION TO CREATE ASSOCIATION HEALTH PLANS**

*Increased Choices and Lower Costs Will Aid Desperate Small Businesses*

(Washington, D.C.) – U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today praised the House Education and the Workforce Committee for reporting with no amendments the House version of the Small Business Health Fairness Act of 2005 (H.R. 525). Senator Snowe introduced companion Association Health Plan (AHP) legislation (S.406) in the Senate last month.

"I applaud today's action by the House Education and Workforce Committee to move Association Health Plan legislation one step closer to enactment," said Snowe. "Providing the flexibility and real savings AHPs offer is critically important to small businesses and their employees in Maine and across the country. I sincerely hope that the Senate will be able to continue the momentum that has been building for AHPs and deliver the relief from high health insurance costs small businesses so desperately need."

Under Snowe's bill, small businesses would be able to pool together, nationally, through trade associations, and either purchase their health insurance from a provider, or self insure in the same way that large employers and unions currently do. Studies by the Small Business Administration, the General Accounting Office, and the Congressional Budget Office have all found that AHPs operate with between 13 percent and 30 percent lower administrative costs.

"The action in the House today continues the momentum built by the President in the State of the Union address," said Snowe. "It also dispelled several misconceptions about AHPs – including the charge that insurance companies would be able to cherry-pick employees for insurance coverage. My bill makes clear that AHPs must follow laws that prohibit exclusions of specific diseases in the state where the AHP health insurance policy is filed and approved."

The Small Business Health Fairness Act of 2005 is supported by a large coalition of small business interests representing over 12 million employers and 80 million employees.

Passage of the bill would help many of the 45 million uninsured individuals access health insurance through their small business employer.

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The bill also includes extensive new protections to safeguard national AHPs from the fraud and abuse that has occurred through sham trade associations that take money from unsuspecting small businesses and then are either unable or unwilling to pay claims filed by subscribers. Also, the current version of the AHP bill contains solvency standards which are equal to or more stringent than similar state insurance laws and go beyond requirements currently in place for ERISA plans. AHPs would be closely monitored and regulated by the Department of Labor's Employee Benefits Security Administration in the same way that the Labor Department currently oversees health plans covering 72 million people.

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